

Item: _____
Fiscal Impact: _____ None at this time _____
Funding Source: _____
Account #: _____
Budget Opening Required: ☐

ISSUE:

This Resolution concerns an Amendment to the Agreement for the redevelopment of Valley Fair Mall between the City, the West Valley City Redevelopment Agency (“RDA”), and VFM-ALC, LC, VFM-CPZ, LC, River Ridge VFM, L.L.C., and Hill Field Holding VFM, L.L.C., the Valley Fair Mall owners.

SYNOPSIS:

This Amendment to the Agreement for the redevelopment of the Valley Fair Mall will reduce the total square footage of leaseable space required at the Mall in order for the Mall owners to qualify for a tax increment subsidy from the RDA. The square footage changes are as follows:

Substantial Completion: original 897,750 / new 800,000 square feet

Space under lease: original 673,125 / 550,000 square feet

Minimum Acceptable Improvement Area: original 139,000 / new 100,000 square feet

Town Center: original 41,325 / new 35,117 square feet

BACKGROUND:

The original Agreement is primarily an agreement between the RDA and the mall owners. The City’s involvement consists of agreeing to enter into an agreement with the RDA to, if necessary, provide a financial backstop to the issuance of RDA bonds that will provide certain financial assistance to the redevelopment of the Valley Fair Mall. The amount of the potential City backstop is capped at \$3 Million. The bonds are not expected to be issued by the RDA until 2009 or 2010, and the City’s obligation to participate is subject to non-appropriation of funds by the City Council at the time that the bonds are issued.

RECOMMENDATION:

Staff recommends the City Council approve this resolution.